

# STATE OF NEBRASKA

---

OFFICE OF THE GOVERNOR  
P.O. Box 94848  
Lincoln, Nebraska 68509-4848  
Phone: (402) 471-2244



January 27, 1999

**Mike Johanns**  
Governor

Mr. President, Mr. Speaker,  
and Members of the Legislature  
State Capitol Building  
Lincoln, NE 68509

Dear Mr. President and Senators:

I am pleased to present for your consideration my proposed budget for the 1999-2001 biennium and my legislative initiatives to address Nebraska's priorities within the bounds of fiscal responsibility.

This first budget of the third millennium focuses on four themes that I heard expressed many times by Nebraskans — the need for smaller government, lower taxes, safe communities, and a growing economy. With the lower hiring rates for my new appointees and the reduced size of the Governor's office staff, I have already set the standard in this Administration for doing more with less. My budget reflects a consistent effort to contain the growth of government, while calling upon directors and state employees to perform at a continuing high level.

Lower taxes can be delivered where the burden is the heaviest: through providing direct relief for property taxpayers. My proposal will create a trust fund which will allow such payments to go straight to the people who pay the taxes. Tax relief will also be provided through my proposed revisions to the Homestead Exemption program, including a higher maximum exemption value, an increased home value for persons to qualify, and an increase in the amount of income allowed for eligibility. My adoption credit proposal will not only provide relief to Nebraska families but will encourage families to open their hearts and homes to needy youngsters. Families who provide long-term, stable homes for children do a great service for children and society. The state cannot afford *not* to encourage such selfless commitments.

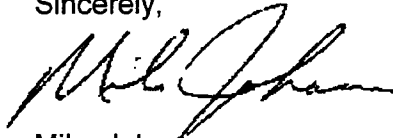
Public safety is a matter of highest priority. Nebraska families must feel safe in their homes and communities and on the streets and highways of the state. My budget recommendations include funding to settle the impasse with the law enforcement bargaining unit which has hampered recruitment and retention and affected morale for too long. The labor agreement for the new biennium also includes adequate resources to allow us to appropriately staff our law enforcement and corrections positions with the professionals the public expects and deserves.

With these basic issues addressed, the budget has room to provide for necessary services. My recommendations include responsible funding for education, support for services for those with special needs, dollars to care for the environment, and investments in the state's physical and technological infrastructure.

My budget, which addresses these issues, along with providing for employee salary and health benefit adjustments, has a bottom line increase of only 2.2% more General Funds than the current year in FY 1999-00 and 3.4% more for FY 2000-01. While we may not agree on all the details, I would commend to you the bottom line, which resoundingly repeats what Nebraskans have indicated — that they want smaller government and lower taxes.

I urge you to give serious consideration to my proposals and look forward to working with you in the coming months.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Johanns". The signature is fluid and cursive, with the first name "Mike" and last name "Johanns" clearly distinguishable.

Mike Johanns  
Governor